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# **The Gender-biased crisis regulation in Germany**

## **A Case Study**

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## 1. Introduction

The economic and financial crisis 2008 even shattered the “developed countries”. Though there was a slight growth in 2010, still one cannot speak of stabilization but more of several crises till to the debt crisis today, which is affecting Europe and the whole world. Germany now presents itself as the leader in Europe. Thanks to strengthened exports and decreasing unemployment the media are calling Germany also ‘the winner of the crisis’ (see for example Rahmann 2011). But can the state be equated with the whole population? Is really everybody – men and women – profiting? Taken that Germany is seen as a country, where the aims of gender equality are long on the political agenda and successfully reached (Nagel, 2006: 6), one could think that the benefits are gender-neutrally distributed. The chancellor is a woman and German politicians even want to “rescue” muslim women from the oppression through the headscarf.

The German government first attempted to stabilize the economy through implementing Neo-Keynesian incentives for the economy (mainly automobile industry and banking sector). One could see them as policies of support. But in the next period of crisis management followed a series of measures concerning reductions in budget spending, in order to prevent a debt crisis with means based on Neoclassical Economic thought. As these reductions in expenditures mainly bothered social policies, it can be shown, that the major social group directly and indirectly affected were women.

In the following pages we examine the policies by the German government to manage the crisis from a Gender-And-Development perspective. Hereby, our focus lies on the question, to what extent gender aspects were respected or ignored, what underlying concept of development was leading these policies, and how they affected women, especially illustrating the impacts on women’s living conditions and position in society.

Our thesis is that in all the acclaimed crisis management, Germany not only failed in addressing practical needs but even fell behind efforts which were undertaken in the years before towards the strategic interests concerning gender relations.

We will therefore first present the theoretical framework with which we are operating and explain specific research-tools of the Gender-And-Development-approach (GAD) and why we chose these specific tools to analyze the national policies during the crisis. This is a theoretical perspective on development and relations between men and women, which addresses the structural underlying causes of global and gender inequalities (Conelly, 2000: 122). By means of this framework we will be able to examine the mentioned policies: the rescue of certain relevant sectors after the outbreak of the crisis and the cuts in government spending in summer 2010.

Concerning the austerity measures we have directly access to the official policy paper. However,

these are missing concerning the stimulus packages as they have been already deleted from the homepage of the government. Therefore, we will have to rely on the analyses of it and the official interpretations of the effects of the ministry for economy and finance. As we are referring to events in the last three years, there are only some publications. Most of them from foundations like the socialdemocratic oriented Friedrich-Ebert-Stiftung and the foundation of the german trade union Hans-Böckler-Stiftung or from European trade union institute. They are all directly from a gender perspective and are referring to each other.

General publications (e.g. of political scientists) about the crisis management which are not explicitly from a gender perspective do not integrate this topic at all, which gives a hint to the low level of gender sensitivity of the policies. In addition, we are using official statistics concerning the labour market from the Statistisches Bundesamt which is a federal and governmental office which collects and analyses data from the economic sphere as well of the society and environment. As it offers widespread information and data it is useful for comparing different times and branches without risking statistical errors due to different methods of collecting data. Besides, we can use some other journal articles although it is here also obvious that the issue of gender relations is almost exclusively touched by decisive feminists.

As a conclusion, we then want to highlight the underlying hegemonic concept of development and to what extent gender aspects play a role in this regard. Our underlying aim is, to make clear how on the long run, women are carrying the bulk of the burden caused through male-dominated economic sectors, in order to stabilize these masculine realms of society and to assure the continuation of its existence and functionality. In this manner it is possible to show that the management of economic crisis in Germany has underlying patriarchal structures.

We will not be able to examine the long-term effects of these policies on gender relations within this case study, due to the fact that at the moment it is too early to collect relevant data and therefore there is still not sufficient empirical research on these issues.

## **2. Theoretical Framework**

### **2.1 Gender And Development**

The Gender-And-Development-approach (GAD) is a perspective within feminist theory which attempts to combine Materialist Political Economy (Marxism) and issues of radical feminism, such as disclosing patriarchal ideology. It emerged from research and activism of socialist feminists in the global North during the 1980s, when the contradictions and the negative effects of the dominant liberal approach of Women In Development – which focuses on economic development, efficiency and enhancement of productivity – became more and more obvious through economic crises in developing countries and the polarizing effects of globalization. In socialist feminism the reproductive work (reproduction of the labor force, household, care of children and elderly) and the productive work (production of commodities; wage labour) are seen as equally important. The relationship between them in our society and the disproportionate valuing of these two types of work are shaped by capitalist and male-dominated (patriarchal) structures.

As it is a basis for analysis and strategy to transform male dominance as well as capitalism and it is helpful to address immediate problems linking them to underlying crucial structures, it is very useful for our purposes. For the GAD perspective emphasizes that the social status of women and the related living conditions are significantly influenced by their position in the economy (on the regional, national and global level), which is determined and reproduced through prevailing gender roles and related practices. The approach investigates women's material conditions and class position, as well as the patriarchal structures and norms that determine and preserve women's underprivileged situation. Patriarchy in this context means an ensemble of hierarchical structures through which men have control over women's sexuality and labour power due to the material resources on this it is based (Connelly, 200: 113). Furthermore the focus does not lie only on women, as it looks at their relationship to men, at their condition related to men's condition.

With this perspective it is possible to illuminate patriarchal tendencies of economic regulation during the crisis in Germany, which might not be visible at the first glance. Moreover, the intensity of the impacts of these policies is very likely to vary depending on class affiliation. Hence, the method of the present case study is to examine the policies from 2008 to 2010 regarding the management of the crisis focusing on the relation between men and women, the division of productive and reproductive work among them and comparing their position in society.

### **2.2 GAD-Tools of Analysis**

For the present case study we will utilize a toolkit specially designed for GAD analyses, which was originally invented by Linda Moffat (1991) and later revised by Patricia Connelly (2000). In

“Theoretical Perspectives on Gender and Development” there are 8 tools presented, out of which we will apply 5, for reasons of adaptability and sufficiency of empirical data and general information.

For the first part of the analysis –about the Neo-Keynesian support of certain economic sectors through the governmental pact on employment, stability and modernization in Germany– we will draw on ‘Gender Division of Labour’ (Tool 1) and ‘Practical Needs and Strategic Interests’ (Tool 6) (Connelly, 2000: 122f.). The first tool refers to the distribution of certain activities depending on the sex and related gender roles. This perspective is very helpful when talking about male dominated sectors which were being saved by the government through spending of approximately 39 billion Euro (BMW, 2009: 38). Tool 6 could apply to the satisfaction of practical needs of men, when these dramatic expenditures of the state could prevent at least partially, of losing their employment, an objective which was part of the measures of boosting the economic activity. Here it should also be examined if and to what extent the short- and long-term needs and interests of women are directly or indirectly addressed and affected by the reflation measures.

During the second period of the regulation of the crisis, it was attempted to solve problems from the opposite angle: not through stimulation, but through cost reduction. In order to examine the instruments and procedures, the tools 2 (‘type of work’), 5 (‘condition and position’) and 6 (‘practical needs and strategic interests’) will be applied on the existing data. Tool 2 ‘Type of Work’ helps us to pay attention on the fact, that expenditures were cut mostly in female dominated areas of society, because it refers to the gender related distribution of tasks concerning productive, reproductive and community work. Tool 5 ‘Condition and Position’ facilitates the focus on the material state of women in Germany and their standing within economic and political structures. This is quite useful in order to point out their vulnerability to poverty, the status quo of women’s situation in Germany at the time as a basis for the subsequent argumentation concerning the maintenance, reproduction and perhaps intensification of the existing asymmetric gender hierarchies through the discussed policies. ‘Condition and position’ is directly related to the already mentioned practical needs and strategic interests. In this context it refers to the deterioration of the fulfillment of the daily necessities of women, e.g. due to retrenchment of financial support for single parents. This impairment also affects the long-term interests of women’s empowerment and improvement of their position, because less access to financial resources goes hand in hand with a debasement of women’s position in society.

In this regard it would be interesting to monitor the number of men compared to the number of women that were involved in the decision-making of the respective policies. Economic policies are the result of discussions and consulting of politicians, economists, trade unions, think tanks and

representatives of the industrial and financial sector (Jänicke et al., 2011: 10). Due to a lack of access to necessary data concerning the involved persons, it is not possible to consider this aspect here. This is also the explanation, why it is not possible to apply the 7<sup>th</sup> tool ('Levels of Participation') under the present circumstances. At least in this regard it is worth mentioning that according to the Federal Statistic Office of Germany, women are underrepresented in the Federal Parliament, with 197 seats out of 612 seats occupied by female politicians (Statistisches Bundesamt, 2008). Further research could center on the analysis of the specific persons who informed this specific policy making. However, the mentioned social groups are generally male-dominated (Wiesenthal/Clasen, 2003: 12), which gives a hint about the position of women in political structures. The numeric inferiority of women in policy-making is valid, even though the German chancellor, Angela Merkel, is a woman. A problem concerning politically active women and their opportunity to defend general women's interests in their committees is, that they belong to the small amount of women that are freed of the bulk of the reproductive work in order to have time for their political duties, so that they may not be aware of the implications of many decisions concerning the private (home) and the public (formal economy and political system) sphere for women.

Concerning the general effects of the crisis and its regulation on gender relations it is possible to formulate the hypothesis based on Connellys and Moffatts 4<sup>th</sup> tool ('influencing factors'), that changes in the economy (international crisis in the financial sector, increasing unemployment, incursion of economic activity) and the connected attempts to manage these issues, influenced the relation between men and women in Germany in a negative sense, as it is very likely that the inequalities in financial and political terms that existed before the crisis will now deepen and expand.

Besides these five tools there are three more tools which will not be included for the analysis of the case. The third tool, 'access to and control over resources and benefits', enables an important and interesting perspective on gender relations, as it highlights "the opportunity to make use of something [...] [and] the ability to define its use and impose that definition on others" (Connelly, 2000: 124). The resources and benefits relevant to our context are the budget of the state, thus the money of the working part of population collected through taxes or gained through debt. The policies deal with decisions concerning the use of that money: What is worth the public budget and what not? In this regard, it would be interesting to ask, whether the policies enable women to make use of the public means and to what extent women were able to influence the decision concerning how to use the budget. With respect to the second question, as before, we don't have sufficient empirical data and information about the gender-related composition of the committees that decided about the policies. Furthermore it is hard to operationalize and measure 'opportunity' and 'ability',

especially with such a sparsely data set. A future research specially designed for these questions could investigate these details in quantitative and qualitative impositions.

We also exclude the 8<sup>th</sup> tool: “Potential for Transformation”. This tool focuses on the process of struggling for gender equality and in that sense the gains and losses of women's movements. At the moment in Germany it is not possible to speak of an influencing active women’s movement but still many results of the liberal feminists are present. As a consequence there are special women’s departments and debates about representative quotas. Thus, it is more institutionalized but reformist in orientation. This tool focuses more on strategies in a long-term perspective. As the aim of this paper is more to analyze the gender implications of the crisis management than offering solutions, the tool is not applicable for our specific research question.

### **3. Empirical Analysis**

#### **3.1. First period of crisis and management: Deficit spending for economic activity**

In 2008 and 2009 the first wave of the economic and financial crisis hit Germany, as the global financial crisis started having effect on the real economy. Automobile manufacturer announced that they would have to produce less, in order to prevent a slowdown in sales and Germany faced a recession as the growth rate was negative (Statistisches Bundesamt, 2009a). The Government tried to stimulate investments and support the economy, so that the economic growth would continue. The aim of the policies was therefore to bridge the economic downturn based on the assumption that the crisis is only temporarily.

As pointed out in chapter two, we apply mainly two tools for the analysis. First, we will concentrate on the „Gender Division of Labour“. In the last decades the female participation in the labour market increased to 45,8% in 2009 (Statistisches Bundesamt, 2009b). As a consequence women are almost equally represented as men in the labour market. However, if we look at the different sectors of economy a high imbalance is to be found, which indicates a Gender Division of Labour. In 2009 every second man (49%) and more than every third woman (36%) were parts of almost homogenous occupational groups (more than 80% of one sex) (Statistisches Bundesamt, 2009b). Typical male occupations are physical and technical works as for example construction, security, engineers and metal construction but also leading position in business companies. On the other hand, typical female occupations lie in cosmetics, haircutting, cleaning and social works such as in the health and (patient) care sector. To a lower degree but as well more female occupations are secretary and in the service industry (Statistisches Bundesamt, 2009b). Partially as a consequence of this gender division of labour the gender pay gap<sup>1</sup> of 23% can be explained, which is above the

<sup>1</sup> The average brutto wage per hour in comparison to men ~~in comparison to men.~~



average in Europe (17%) (Statistisches Bundesamt, 2010).

For a more complete picture of the German labour market we also have to take into account the segregation around certain forms of work. Part-time jobs and atypical<sup>2</sup> occupations are still mostly occupied by women and increasing in the last years. These forms of work are differentiated from the standard<sup>3</sup> employment relationship which is male dominated. Sabine Reiner shows in her analysis from a feminist perspective how developments in the German labour market have supported the crisis. One part was the stagnation of the income situation and the increasing low-paid sector as a result of policies to increase the pressure for unemployed people (Reiner 2009: 6). In 2009 70% of the workers in the low-paid sector were female (Weinkopf, 2009). In conclusion, the labour market is still focused on the nucleus family with a male breadwinner and a secondary female financial support. The latter becomes more and more important due to the demographic changes. Fewer children are born and therefore female labour power gets more and more integrated.

In summary, it is so far obvious that there is a highly segregation and inequality in the German labour market. Measures concerning the labour market and from a gender perspective would therefore have to take into account this situation to decrease this inequality instead of increasing it.

The reactions to the first wave of the crisis can therefore reveal the concept of gender. In addition, it also can show the concept of development as it reveals what sectors are seen as important and if the crisis has led to a reorientation.

As result of the gender division of labour the different sectors were differently attacked by the first wave of the crisis. In 2008 and 2009 mainly export-oriented and producing sectors such as the automobile industry, construction and IT services have been affected, which are male dominated (72%). The GDP decreased in 2009 with 4,9% (Schambach 2011: 13). In a first step, the unemployment for men increased. From July 2008 to July 2009 the unemployment rate concerning men increased by 17%, in absolute numbers 270.000 men lost their employment. Concerning women, the unemployment rate even decreased in this period by 1,4% (Reiner, 2009: 6). This is mainly due to the flexibilization before the crisis, which increased the low-paid sector and labour leasing. However, even if men are hit harder in the short run, „one cannot ignore the fact that women are also similarly affected, and importantly, are often in a more precarious situation once they become unemployed“ (Leschke/Jepsne, 2011: 58).

The government reacted with Neo-Keynesian stimulus packages in the end of 2008 (around 11

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<sup>2</sup> According to the Federal Statistical office atypical occupation are temporarily and low-paid employments without social security and often serve as an additional financial support for the family (Statistisches Bundesamt, 2009c).

<sup>3</sup> Although this standard is also eroding in the last years. Standard employment relationship refers to unlimited employment which is subject to social insurance contribution. ~~Standard employment relationship refers to unlimited employment which is subject to social insurance contribution.~~

billion Euro) and January 2009 with a volume of 50 billion Euro. On the 5th November 2008 the first package („Job Security by Strengthening Growth“) with 11 billion Euro was dispensed. As critiques emerged that these measures are insufficient, a second package („The Pact on Employment and Stability in Germany for Growth and Modernization“) of 50 billion Euro on the 14th of January 2009 was dispensed. The objectives were to relieve private households and firms by tax cuts, to save employment and qualification and to assist companies with the long-term strategy to be strengthened at the end of the crisis (Schambach, 2011: 14). The objective of the stimulus packages was to support the producing enterprises by lowering taxes and by large-scale deficit spending. According to the government, these measures were successfully addressed to stimulate the domestic demand and save employment (BMW, 2010). In their own presentation of the results, they do not speak of the effects to women.

These measures showed a gender bias. Sabine Reiner (2009) points to the investments for kindergarten which do not support more long-term employment (from which mainly women would profit) but the reconstruction of buildings and thus were in favour of male working places (Reiner, 2009: 13). Tax cuts will mostly benefit higher earnings where more men are represented (Leschke/Jepsen 2011: 38).

To prevent unemployment the government prolonged „short-time work regulation from 18 to 24 months“ (Henninger/Von Wahl, 2011: 5), which subsidizes firms who continue to employ their workers on a part-time basis. This also reveals a gender bias as around 80% of the short-time workers were male (Reiner, 2009: 10).

Another measure of support (5 billion Euro) to increase the domestic demand in cars consisted in „a „Eco-Bonus“ for owners of an old car who decided to buy a new, supposedly more ecological one“ (Henninger/Von Wahl 2011: 5). This increased the short-term demand in automobile production and supported in that way the male employment rates and the automobile industry.

However, the underlying patriarchal structure becomes only visible if we compare these measures in the manufacturing industry and the construction with the measures undertaken by the government with other sectors affected by the crisis. In 2008 and 2009 some department stores were affected heavily of whom the most salespersons were female. However, in June 2009 the government decided not to support the business group Arcandor which affected the dependent companies Quelle, Karstadt and Primondo (Salzmann/Rippert, 2009).

We do not want to claim that the reason to assist only the male dominated industries is the result of a conscious decision between 'saving men or women'. Rather, we want to highlight that this is the result of underlying patriarchal structures that support capitalism. Men work not only in other economic sectors than women, but in fact in the ones which are seen as *the* important ones: the

manufacturing with high productivity rates. As women are seen only as secondary earners, their loss of work is not seen as important as the profit-making of the companies is also less. This argument can also be strengthened by the fact that Germany is spending the less in comparison with other European countries to employment in the public sector (Reiner, 2009: 9) – a sector where no profit is generated and more than 50% are women. Health, Care and Service sectors are not seen as system-relevant and get lower subsidies which is due to a patriarchal paradigm and gender norms (Sauer, 2010).

Besides it also reveals the concept of development which lies not in health, sustainability and social solidarity but economic growth and support for profit-making industries. Concerning the crisis management in the first wave, the gender division of labour has been ignored by governmental policies. It was neutral insofar as it did not address at all gender interests, but had in that way a negative effect as it stabilized gender hierarchies and increased in this way the pressure to private compensation of diminishing state insurance which increases the burden of women (Michalitsch, 2009: 50). The crisis has not led to a reorientation but follows the old path of pure economic growth (Reiner, 2009: 9).

In applying the tool of „Practical Needs and Strategic Interests“ we can also see from the foregoing, that in addressing the danger of unemployment in male dominated sectors, the policies of the government focused on practical needs of men in the working class and ignored women. The Neo-Keynesian policies have led to short-term stimulus packages which in the short run slowed down the effects of the crisis but deepen it in the long run. Thereby the practical needs of men were addressed. The practical needs of women who were in majority working as salespersons and were later affected by the crisis have been ignored. In looking at strategic interests long-term policies would have been necessary which address gender equality. The governmental policies failed to address them. The only gender issue which was discussed in the media as a result, was the discussion about women in leading position. The argumentation was based on other leadership characters of women which was thus focused on women in the upper class and on gender norms of 'female' characters. The stimulus packages show in that way that the occupations of women are not valued as relevant for the system as the male dominant sectors.

During the last years the male breadwinner model is decreasing as the standard employment is decreasing and flexible and low-paid sectors are growing. Leschke and Jepsen conclude that because of the male job losses new patterns of the gender division of labour may be promoted with women as breadwinner (Leschke/Jepsen 2011: 58) but with negative effects on the long run.

### **3.2 Second period of crisis and management: Austerity Measures**

The public deficit spending for stimulating the economy certainly needed to be balanced through savings and reductions of the public expenditure. The officially declared aim was to fulfill the obligations of the European Stability and Growth Pact to reduce the structural deficit at 0.5% from 2011 to 2013, in order to increase productivity, efficiency and thus, prosperity for all. In this manner a debt limit was included in the constitutional law, which obligates the government to pursue a “sustainable and solid budget policy” (Bundesregierung, 2010: 2). That this would hit mainly social policies was predicted critically by feminists already during the first period of the crisis (Wichterich, 2009: 34). This prognosis proved true, as the ‘austerity-package’ of the German government showed.

On 7<sup>th</sup> of June 2010 the Federal Government of Germany published a document titled ‘Vertices for the Further Placement of the Budget Proposal and the Financing Scheme Until 2014’ including eight major measures of economic policy for the budget consolidation from 2011 to 2014, which should lead to savings of about 80 billion Euro (Bundesministerium für Finanzen, 2010). In this paper it is announced, that every single application of financial resources will be valued according to its input related to economic development. Every measure shall contribute to a self-supporting upturn of the German economy (Bundesregierung, 2010: 3). These objectives clearly indicate neoclassical and liberal economic assumptions concerning development and generation of prosperity (Barriteau, 2000: 139). The christ-liberal orientation is incidentally explicitly mentioned in the strategy paper of the government (Bundesregierung, 2010: 1). It is assumed that increased productivity and efficiency is a progress in a positive sense for the population because wealth is generated through the growth of the GDP. The focus of public regulation does not lie on the distribution of this prosperity, because it is expected that the produced surplus will trickle down from the higher to the lower layer of society in a long-term view<sup>4</sup>. Governmental management should rather concentrate on balancing the national budget and on the creation of an appropriate framework for the best possible performance of the economy.

On 1<sup>st</sup> of September the government passed an ancillary law concerning the budget, which aimed to realize some of these cornerstones prefigured earlier. The major part of these measures targeted social and family policies, while laws concerning the appropriate liability of sectors of the financial markets are still not passed at the end of 2011. Concerning the inter-ministerial power-relations, the typical dominance of the Ministry of Finance over other ministries (Budlender, 2002: 15) - as the Ministry of Employment or the Ministry of Families - is observable in this specific case too, as budget consolidation obtains the highest priority compared to other issues, such as gender relations.

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<sup>4</sup>This assumed phenomenon is called the ‘trickle-down-effect’ introduced by David Stockman, the financial consultant of Ronald Reagan (Greider, 1981).

The measures included cuts of following social welfare: parental benefits, pension insurance, and specific charges for jobless persons. To analyze more precisely what these measures reveal specifically about the stabilization of gender relations in Germany, it is useful to apply the tools of the GAD framework, introduced in the previous chapter utilizing them as lenses with varying focus. Analyzing the cut-backs by focusing on the gender segregation concerning the type of work (2<sup>nd</sup> GAD-tool), on a first step requires to examine the distribution of tasks in the productive and reproductive occupations among women and men. The time budget analysis of the Federal Statistic Office, comparing how men and women are spending their time, evidently proves that men are mainly committed to gainful employment, while women are active in the “social space” (Sellach et al., 2006: 94), which means reproductive work, because it includes household, taking care of children or other unpaid work.

Parental benefits of 300€ per month for unemployed parents receiving social welfare were abolished entirely<sup>5</sup>. This equals a cutback of 3.600€ per year for every unemployed parent (Henninger/ Von Wahl, 2011: 7) and a saved sum of 600 million Euro (Henninger/Von Wahl, 2011: 6). It hurts 50.000 single parents and 85.000 couple households (Öchsener, 2010). Due to the fact that four fifths of the single parents are women (Nagel, 2006: 39), mainly single mothers are affected by retrenchments from truncating the parental benefit. Parents with a partial occupation amended through social welfare can keep a part of the benefits, while those with medium income (1.200€ and more) will receive slightly less parental benefits than before (65% instead of 67% of the former income). In order to increase the birth rate of female academics of the intermediate layer (which mainly are Germans), the ceiling amount of the parental benefit of 1.800€ is not affected if the parents earned more than 2.700€ the year before the birth of the child. Furthermore working parents can benefit from an increase in tax allowance for children from 6.024€ to 7.008€ additively to the tax allowances for children introduced in 2006. Palpably the combination of these measures of benefits and allowances re-inforces the existing social inequalities, as families with higher incomes benefit the most. This also illuminates that the tracked policies are explicitly reducing the support for the 'non-productive' work, which is not directly contributing to the formal economy.

Due to this contradiction the policy was criticized for being racist and classist, because immigrants receiving social welfare have statistically more children than the middle class with higher education, which in the medial discourse is presented as a problem (Henning/Von Wahl: 2011: 7). This is an obvious example of control over women’s sexuality through material means, which

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<sup>5</sup>This decision is not surprising if the overall aim of the austerity package is considered once again: To allocate financial resources only there, where they efficiently bring an output for the economic development. Jobless parents do not contribute to the GDP, hence they are not counting as important for the state.

reminds of the definition of patriarchy in socialist feminism, if (biological) reproduction is subsumed under the concept of sexuality.

According to the GAD perspective, “any intervention in one area [productive / reproductive work] will affect the others” (Connelly, 2000: 124). This interrelation is also evident in the present issue: As the support for the unpaid work of women during the motherhood is getting less, their opportunities in paid occupations are also worsening. In order to compensate the financial means that now ceased to apply, it is very likely that a bulk of these women will search for precarious jobs in the informal sector, accepting every working condition and salary, by simultaneously having to care for the child. The existing patterns concerning the situation of women and men in the labour market would be reproduced once again. But these are probable predictions, based on generally observable tendencies of unemployed women in many countries (Connelly, 2000: 53), and thus the actual effects need to be investigated in future long-term studies for the specific context.

The concentration of women in the reproductive and of men in the productive sphere of society are significantly connected to the living conditions and practical needs of women on the one hand and their position in society with the related strategic interests on the other hand. As men are more likely to have an employment, they are less likely – compared to women – to rely on social benefits. This is also fortified by the empirically proven fact, that every 7<sup>th</sup> women cannot make a living from a gainful occupation<sup>6</sup>, while almost 50% of men are able to do so (Nagel, 2006: 48). Here, it is also necessary to mention, that according to the official sample census of Germany, independently from the sector of employment, women generally earn less than men (Nagel, 2006: 52). Hence, the benefiting families are more likely to be those that include a father as the principle earner with a relatively high income. Thus, the actual German family policy is rewarding those families that fit into the hegemonic model of the father as the breadwinner, while punishing single mothers. The general lower income of women, their concentration in the undervalued reproductive sector and their dependence on precarious support of the state or their husbands<sup>7</sup>, gives some indications about women's position in society and the resulting living conditions. Compared to men, in average women are provided on a lower layer of social hierarchies, which leads to worse living conditions than men. Depending on the class affiliation, the ability of realization of women's practical needs - especially as mothers - is debased through the social cutbacks. This deduction about the specific

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<sup>6</sup>Alluding to recent statistics of the Federal Agency of Employment of Germany, the female unemployment in the regions of former German Democratic Republic is higher than in former West-Germany, where the difference between men and women is more adjusted (Bundesagentur für Arbeit, 2011). That is to say, in the specific case of Germany inequalities are not structured only among lines of class, gender and ethnicities, but also among the East and the West.

<sup>7</sup> Three quarter of women relying on family members are married (Nagel, 2006: 49).

living condition of women is reasoned from their position in society measured in this case “by male-female disparities in wages and employment opportunities” (Connelly, 2000: 124). How the policy-induced changes in the general position of women compared to men actually and individually shapes the specific condition of a unemployed single mother in Germany can also not be retraced here, because still there is few and only broad relevant data available, due to the newness of the policy.

Additionally, pension insurance is curtailed completely for persons obtaining unemployment benefit, which is very likely to lead to increased poverty among the elderly and a degradation of the living conditions of those already gaining less during employable age. This hurts women in a double sense: On the one hand women are more likely to care for the elderly, compared to men, on the other hand, due to their lower income in the present, they are also more likely to experience even worse living conditions in the retirement age (Loose, 2009: 33). In this regard the claimed sustainability of budget spending of the government is questionable, because through the present retrenchments certain problems are just displaced to future generations. Female poverty in retirement age is significantly higher than male poverty during that phase of life (Loose, 2009: 37). Concluding, women are not only more at risk to experience poverty, they also compensate losses of social welfare by unpaid care of unemployable persons, such as children or elderly.

Moreover, persons sourcing housing subsidies will not obtain contribution for additional costs, such as heating. The obligatory payments of the basic financial security for work-seekers are now converted into discretion payments based on the judgment of the authorities. This relies on the assumption that the government has to give negative incentives to jobless persons, to motivate them to find an occupation (Bundesregierung, 2010: 4). This strategy of disciplinary (instead of solidary) social welfare is the general tendency of the German government since the labour market reforms known as 'Hartz IV' in 2005 (Henning/Von Wahl, 2011: 7). Altogether these measures apparently aggravate the layering of German society along class, gender and potentially ethnic lines (Haller et. al, 2011: 29). A jobless single mother – who is more likely to be an immigrant or have an migration background, than among married mothers of higher income – does not get any parental benefit and potentially no support for additional costs concerning the housing expenditures.

#### **4. Conclusion**

The examination of the to waves of governmental regulation of the economic crisis in Germany from a Gender And Development perspective enabled the disclosure of gender and class biased orientation and priorities of the pursued policies.

The first wave of the crisis in 2008/2009 affected mainly export-oriented industries, construction

and IT services. The government policies addressed this with two stimulus packages in this period of about 70 milliards which included several measures such as the „eco-bonus“ for buying a new car and the short-time work regulation. These policies benefited a lot the automobile industry where more than two thirds of the workers are male. In opposition, other sectors where (mainly female) salesperson work were not supported. From this we can deviate the value which is given to different branches. While high productivity sectors, where mostly men work are seen as systemrelevant, sectors like health, the public sector or social services are less valued, as mostly women work there which are still treated as secondary earners. The development concept behind the policies is therefore oriented on the growth of GDP without addressing equal distribution, sustainability and ignoring gender implications. From a gender perspective the policies have been neutral insofar as they did not address gender or women issues and had thus resulting from the existing inequality even a negative effect as many effects of the crisis have to be compensated by women in the private sphere.

In the second period of crisis regulation in 2010, the German government passed a series of measures in order to reduce public expenditure, to comply with the European obligation of limiting public debt. These austerity measures mainly focused on cutbacks regarding social and family policies. This included reductions in social welfare and the abolishment of parental relief for jobless parents. In this manner support for the female-dominated unpaid work in the reproductive sector was cut. This deteriorated the position of mothers with lower or no income, and impaired the ability of realization of their strategic interests, as participation in the public sphere (formal economy and politics) is now even more difficult, due to material pressures. The class bias is blatant, as the parental relief is higher the higher the income of the parents is. The attempt of controlling and monitoring the birth rates of women in different classes, indicates a patriarchal tendency behind family policy. Moreover, austerity measures concerning social welfare and retirement insurance are stabilizing the pattern of female poverty in Germany. Recent research on poverty in Germany undermines the assumption of neoclassical and liberal economists, that economic growth and productivity leads to prosperity and welfare for the whole population, as the results show, that even very strong economic booms and upswings do not have an significant influence on the development of poverty within the population. In 2007 for instance a growth in GDP was even accompanied by an increase of poverty (Der Paritätische, 2010).

Further research should also take into account the differences in east and west Germany. As the reunification of Germany took place not until 1990 there are still big differences, especially in the field of family policies as the two parts of the countries look back at different socialisations, gender norms and female work. The issue and special implications for immigrants could as well only been



touched in this paper. Especially the stimulus packages had also an effect not only within the country but also internationally. The policies during the crisis are also accompanied by war politics which has effects on people and women worldwide. This would also be interesting and important issues for further analyses.

In summary, we can confirm our thesis from the introduction that the German policies not only failed to integrate gender issues but even fell behind efforts undertaken in previous decades. This can be seen from the fact, that the economy is built upon the concept of a nucleus family where reproductive work is not paid and obscured but that this model of family is decreasing in Germany as there are more and more single-parents.

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